State Agriculture Ministers' Conference

319. SHRI KARNENDU BHATTACHARJEE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether in a recent Conference of the State Agriculture Ministers, a resolution was passed unanimously demanding that National Bank of Agriculture and Rural Development (NABARD) should be brought under the administrative control of the Ministry of Agriculture and if so, Government's reaction thereto;

(b) whether any steps have been taken to give effect to the resolution and if not, the reasons therefor; and

(c) what other decisions were taken at the Conference to make the agriculture policy farmer friendly?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) and (b) Yes, Sir. The Resolutions have been sent to all concerned including the Ministry of Finance for taking necessary action in the matter.

(c) The resolutions passed in the Conference are given (*See* below).

Statement

Resolution passed in the Conference of State Agriculture Ministers

After detailed deliberations in the Conference, the following resolutions were passed unanimously:—

1. Agriculture credit:

(i) That Agriculture is a priority sector but the rate of interest for agricultural loan are higher (14% — 18%) compared to interest rates in the other sectors of economy. Therefore, steps be taken to reduce the rate of interest in agriculture sector to a reasonable and affordable level. There is urgent need to further simplify the procedure for lending to the farmers to make agriculture credit easily available.

(ii) That the Reserve Bank of India should take steps to ensure that Commercial Bank achieve the stipulated target of 18% of

their net bank credit to agriculture sector. A target of Rs. 7,50,000 crores has been set for agriculture credit to be disbursed during the 10th Five Year Plan. There is an immediate need to chalk out a detailed strategy and plan by the Ministry of Finance and Reserve Bank of India/NABARD in consultlation with Ministry of Agriculture to achieve this target.

(iii) That the rate of interest of re-finance by NABARD should continue to be 3% below the bank rate. Re-finance by NABARD should be increased to attain level of about 50% of the total lending by cooperative credit institutions at least for three years.

(iv) That in view the close link of NABARD with the agriculture and cooperatives, it should be brought under the administrative control of Ministry of Agriculture.

(v) Primary Agriculture Credit Societies (PACS) should be convered into Mini Banks to enable them tomobilize locally available deposits and for deploying it in agriculture sector at the lower rate of interest.

(vi) That the rehabilitation package which has been recommended to revamp the cooperative credit structure may not be suitable for most of the States because of lack of financial resources. Therefore, it was felt that the rehabilitation package may urgently be re-examined and implemented immediately.

(vii) That in view of the weak financial position of a large number of District Central Cooperative banks, RBI should relax the provisions of section 11 of the Banking Regulation Act, 1949 (AACS).

2. Crop Insurance:

(i) That the premium rates of agriculture insurance should be rationalized as the existing actuarial rates are quite high.

(ii) That the scheme should not be made compulsory for loanee farmers.

(iii) That the proposed Agriculture Insurance Company should function under the administrative control of Ministry of Agriculture.

(iv) That the unit area of insurance should be brought down to the village level and all crops including perennial crop should be covered under the National Agriculture Insurance Scheme (NAIS).

Food and fodder development in Karnataka

320. DR. VIJAY MALLYA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Karnataka Government has submitted schemes for strengthening of State farms, establishment of Fodder bank etc., at an estimated cost of Rs. 93 lakhs;

(b) if so, what is the present stage of consideration of this proposal; and

(c) by when the State Government is likely to receive the sanction of the schemes and release of funds in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) to (c) Government of Karnataka has been sanctioned an amount of Rs. 13.55 lakhs for fodder bank and Rs. 25.00 lakhs for enrichment of straw/cellulosic waste for utilization during current financial year against the proposal submitted by them for fodder bank (Rs. 21.00 lakhs) and enrichment of straw/cellulosic waste (Rs. 50.00 lakhs) in the year of 2002-2003.

Drought relief price for rabi wheat

321. SHRI YADLAPATI VENKAT RAO: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government had paid Rs. 10 per quintal as drought relief to farmers over and above the Minimum Support Price for rabi wheat, as recommended by the Commission for Agricultural Costs and Prices; and

(b) if so, the details of amount paid to drought affected States for the same, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) The Government has announced payment of one time special drought relief of Rs. 10 per quintal